(c) The financial performance of the banks is not adversely affected in view of the fact that banks decide to deploy their funds in their commercial judgement with a view to optimising their returns.

Impact of Shortfall in collection of Central Taxes on States

2228. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that States have to suffer in meeting their plan targets on account of shortfall in the anticipated collection of Central Taxes;

(b) if so, whether Government are considering a system to earmark lumpsum fund for the States so that their plan size is not affected due to shortfall in the collection of Central Taxes; and

(c) whether the Central Government would make up for the shortfall particularly for the special category States as their resource base is very narrow and they are not in a position to cover the shortfall through internal resource generation?

THE MINISTER OF FINACNE (SHRI YASHWANT SINHA): (a) States' share in the sharable taxes and duties i.e. Income-tax, Basic Excise Duties, Additional Excise Duties in lieu of Sales Tax is based on the actual collections of these taxes and duties and paid to the States as per the recommendations of the Finance Commission. The actual collection may be higher or lower than the estimated collections in the Budget. Shortfall in a State's share in Central taxes may be only one of the several contributory factors leading to slippage in the State Plan target. Other factors could be increase in the non-Plan expenditure and/or the State's inability to meet its target or resource mobilisation.

(b) No, Sir.

(c) There can not be a general commitment to fill in the resource gap in its entirety.

Scooter Taxi Charges for Attending Office on Holidays

2229. DR. D. MASTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that for attending office on holidays, including Saturdays and Sundays, scooter/taxi charges are reimbursed to the Central Government employees;

(b) whether there is any monetary limit for the said expenditure; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) Conveyance hire charges actually paid can be reimbursed to gazetted employee who performs a journey in the public interest or a non-gazetted employee summoned to office, on holidays including Saturdays/Sundays, when official transport is not made available; subject to certain conditions such as:—

(i) No travelling allowance under TA Rules is claimed;

(ii) The total amount reimbursed in any month shall not exceed Rs. 150/-;

(iii) In the case of a non-gazetted employee, he is not granted any compensatory leave or any special remuneration; and

(iv) Conveyance hire reimbursable shall be the fare by bus, tram, local train or a combination of these if the place to be visited is connected by any of these public conveyances.

Limit on Reimbursement of Scooter/Taxi Charges

2230. DR. D. MASTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that during office hours for attending to official work taxi/scooter charges are reimbursed to

the Central Government employees in the event of non-availability of transport;

(b) whether it is also a fact that there is a monetary limit of Rs. 150/- p.m. for the said purpose, which is on the very low side as per prevailing charges; and

(c) if so, whether Government propose to revise the ceiling and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) For Central Government employees who are sent outside the normal place of duty, but within the municipal limits, during office hours, for attending to official work, conveyance hire charges actually paid are reimbursed subject to certain conditions such as:—

(i) No travelling allowance under TA Rules is claimed;

(ii) The total amount reimbursed in any month shall not exceed Rs. 150/-;

(iii) In case of a non-gazetted employee, he is not granted any compensatory leave or any special remuneration; and

(iv) Conveyance hire reimbursable shall be the fare by bus, tram, local train or a combination of these if the places to be visited are connected by any of these public conveyances.

The limit of Rs. 150/- p.m. is considered adequate keeping in view the fact that in most cases public conveyances like bus, train etc. are to be used and only on rare occasions when these are not available and urgency is involved, other conveyances like scooter or taxi are to be used.

Reluctance of Banks to issue back to back letter of Credit

2231. SHRI C. APOK JAMIR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Indian Banking system has proved a deterrent in promoting international trading by Indian companies involving both purchases and sales abroad under back to back letter of credits;

(b) whether the Indian Banks are reluctant to issue back to back LC without involving any financial risk on the part of the Bank; and

(c) if so, the reasons therefor and the measures proposed to boost overseas trading by Indian companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) Reserve Bank of India (RBI) has reported that they are not aware of any reluctance on the part of banks to open back to back letters of credit. However, in promoting international trading by Indian Companies, banks are giving need based limits to their customers, including issuance of back-to-back LCs which is usually considered favourably as the risk involved is relatively lower.

(b) and (c) Commercial decisions of the banks are normally based on the assessment of the credit-worthiness and standing of the overseas bank opening LC favouring Indian Merchant Exporters. Banks are also guided by the RBI's guidelines on Exchange Control on merchanting, trade. RBI has further reported that back-to-back credit as a product has not caught on among the banking clientele and needs to be promoted by banks in India both for inland business and export/import business. Overseas trading can be improved by effective marketing and being competitive in the international market.